

Denise Moreno Ducheny

California State Senate • 40th District

NewsRelease

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SENATOR DUCHENY'S HOMEOWNER ASSOCIATION FORECLOSURE BILL PASSES FIRST IMPORTANT TEST

Sacramento – Senator Denise Moreno Ducheny's (D-San Diego) SB 137 was heard in the Senate Judiciary Committee today where it passed with a vote of 4 to 1. Last year's legislation passed 33-1 in the Senate and 69-7 in the Assembly but was ultimately vetoed by the Governor.

"I am happy that this bill passed an important first step today," said Senator Ducheny. "Despite last year's setback, we continue to work with the Administration as we move this new measure through the process"

SB 137 prohibits a homeowners' association from using non-judicial foreclosure for delinquent assessments of less than \$2,500. It provides that homeowners' associations may collect such debts only through a judgment in small claims courts or by placing a lien without foreclosing on the property.

The proposal responds to complaints from homeowners who have had their homes foreclosed upon for a small amount of delinquent dues. One such case involved the Radcliff family of Copperopolis, who lost their life savings invested in their home when the association foreclosed over \$120 in late fees. A study of five counties in the Bay Area by Sentinel Fair Housing found that the average debt in common interest development foreclosure actions was \$2,557, including collection costs, which generally comprise the majority of the debt.

"It is simply wrong for a homeowners' association to take someone's home over a \$120 debt," said Senator Ducheny. "This issue is too important to Californians to allow this practice to continue."

This measure is co-sponsored by a variety of consumer groups including: Congress of California Seniors, American Homeowner Resource Center, California Alliance of Retired Americans, Gray Panthers and the Older Women's League (OWL).

Senator Denise Moreno Ducheny represents parts of San Diego and Riverside Counties and all of Imperial County. She is a member of the Senate Committee on Transportation and Housing.

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